

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#17 OCTOBER 12, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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Board of Supervisors

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October 12, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

John F. Schunhoff, Ph.D.
Interim Director

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

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SUBJECT

www.dhs.lacounty.gov

*To improve health
through leadership,
service and education.*

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at County facilities. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

- (1) Account Number LAC+USC MC – Various \$4,866
- (2) Account Number LAC+USC MC – Various \$5,000
- (3) Account Number LAC+USC MC – 0246846 \$5,000
- (4) Account Number LAC+USC MC – Various \$5,000
- (5) Account Number LAC+USC MC – 6140758 \$7,000
- (6) Account Number LAC+USC MC – 9131497 \$7,500
- (7) Account Number H-UCLA MC – Various \$7,536
- (8) Account Number LAC+USC MC – 6805825 \$10,000
- (9) Account Number LAC+USC MC – Various \$31,507
- (10) Account Number H-UCLA MC – Various \$80,640



(11) Account Number LAC+USC MC – Various \$40,000

Total All Accounts: \$204,049

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (10) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offer of settlement for patient account (11) is recommended because the patient cannot pay the full amount of charges based on his current financial status, and this is the highest amount he is able to contribute to settle the account.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$204,049.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with the first name "John" being more prominent and the last name "Schunhoff" written in a series of connected loops.

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: OCTOBER 12, 2010

Total Gross Charges	\$80,784	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$80,784	Date of Service	Various
Compromise Amount Offered	\$4,865.50	% Of Charges	6 %
Amount to be Written Off	\$75,918.50	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient is a minor and was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$80,784 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$3,750	\$3,750	25 %
Lawyer's Cost	\$500	\$500	3 %
LAC+USC Medical Center *	\$80,784	\$4,865.50	33 %
Other Lien Holders *	\$1,057	\$1,057	7 %
Patient	-	\$4,827.50	32 %
Total	-	\$15,000	100 %

* Lien holders are receiving 40% of the settlement (33% to LAC+USC Medical Center and 7% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: OCTOBER 12, 2010

Total Gross Charges	\$29,128	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$29,128	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	17 %
Amount to be Written Off	\$24,128	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$29,128 for medical services rendered. The patient was denied Medi-Cal and has Ability-To-Pay (ATP) with no liability. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,000	\$6,000	40 %
Lawyer's Cost *	\$2,687.13	-	-
LAC+USC Medical Center **	\$29,128	\$5,000	33 %
Other Lien Holders **	\$3,208.90	\$3,208.90	22 %
Patient	-	\$791.10	5 %
Total	-	\$15,000	100 %

* The attorney is waiving his cost.

** Lien holders are receiving 55% of the settlement (33% to LAC+USC Medical Center and 22% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: OCTOBER 12, 2010

Total Gross Charges	\$338,732	Account Number	0246846
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$338,732	Date of Service	11/18/09 – 12/19/09
Compromise Amount Offered	\$5,000	% Of Charges	1 %
Amount to be Written Off	\$333,732	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$338,732 for medical services rendered. The patient was denied Medi-Cal and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$300	\$300	2 %
LAC+USC Medical Center *	\$338,732	\$5,000	33 %
Other Lien Holders *	\$1,823.50	\$1,823.50	12 %
Patient	-	\$2,876.50	20 %
Total	-	\$15,000	100 %

* Lien holders are receiving 45% of the settlement (33% to LAC+USC Medical Center and 12% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: OCTOBER 12, 2010

Total Gross Charges	\$208,787	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$208,787	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	2 %
Amount to be Written Off	\$203,787	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$208,787 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,000	\$6,000	40 %
Lawyer's Cost	\$390	\$390	3 %
LAC+USC Medical Center *	\$208,787	\$5,000	33 %
Other Lien Holders *	\$1,051	\$1,051	7 %
Patient	-	\$2,559	17 %
Total	-	\$15,000	100 %

* Lien holders are receiving 40% of the settlement (33% to LAC+USC Medical Center and 7% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: OCTOBER 12, 2010

Total Gross Charges	\$24,328	Account Number	6140758
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$24,328	Date of Service	7/14/07 – 7/20/07
Compromise Amount Offered	\$7,000	% Of Charges	29 %
Amount to be Written Off	\$17,328	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a slip-and-fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$24,328 for medical services rendered. The patient was a General Relief (GR) patient and no other coverage was found. The patient's third party liability (TPL) claim settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$12,000	\$9,306.82	31 %
Lawyer's Cost	\$1,386.37	\$1,386.37	5 %
LAC+USC Medical Center **	\$24,328	\$7,000	23 %
Other Lien Holders **	\$5,864.93	\$2,479.74	8 %
Patient	-	\$9,827.07	33 %
Total	-	\$30,000	100 %

* The attorney is reducing his fees from 40% (\$12,000) to 31% (\$9,306.82).

** Lien holders are receiving 31% of the settlement (23% to LAC+USC Medical Center and 8% to others). The patient is receiving 33% of the settlement to pay for additional long term medical care.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: OCTOBER 12, 2010

Total Gross Charges	\$36,492	Account Number	9131497
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$36,492	Date of Service	6/27/09 – 7/3/09
Compromise Amount Offered	\$7,500	% Of Charges	21 %
Amount to be Written Off	\$28,992	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$36,492 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement *
Lawyer's Fees	\$10,000	\$10,000	40 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center	\$36,492	\$7,500	30 %
Other Lien Holders	-	-	-
Patient	-	\$7,500	30 %
Total	-	\$25,000	100 %

* This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holder is receiving 30% of the settlement with the patient receiving the remaining 30% of the settlement.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: OCTOBER 12, 2010

Total Gross Charges	\$49,340	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$49,340	Date of Service	Various
Compromise Amount Offered	\$7,536	% Of Charges	15 %
Amount to be Written Off	\$41,804	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$49,340 for medical services rendered. The patient did not apply for Medi-Cal and qualifies for Outpatient Reduced-Cost Simplified Application (ORSA) with no liability. The patient's third party liability (TPL) claim settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333.33	\$8,333.33	33 %
Lawyer's Cost	\$75	\$75	1 %
H/UCLA Medical Center *	\$49,340	\$7,536	30 %
Other Lien Holders *	\$797	\$797	3 %
Patient	-	\$8,258.67	33 %
Total	-	\$25,000	100 %

* Lien holders are receiving 33% of the settlement (30% to H/UCLA Medical Center and 3% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: OCTOBER 12, 2010

Total Gross Charges	\$79,962	Account Number	6805825
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$79,962	Date of Service	12/20/07 – 12/31/07
Compromise Amount Offered	\$10,000	% Of Charges	13 %
Amount to be Written Off	\$69,962	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$79,962 for medical services rendered. The patient is a General Relief (GR) patient and no other coverage was found. The patient's third party liability (TPL) claim settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$10,000	\$9,714	32 %
Lawyer's Cost	\$286	\$286	1 %
LAC+USC Medical Center *	\$79,962	\$10,000	33 %
Other Lien Holders *	\$1,170.50	\$1,170.50	4 %
Patient	-	\$8,829.50	30 %
Total	-	\$30,000	100 %

* Lien holders are receiving 37% of the settlement (33% to LAC+USC Medical Center and 4% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9
DATE: OCTOBER 12, 2010

Total Gross Charges	\$68,477	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$68,477	Date of Service	Various
Compromise Amount Offered	\$31,507.18	% Of Charges	46 %
Amount to be Written Off	\$36,969.82	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$68,477 for medical services rendered. The patient is a General Relief (GR) patient and no other coverage was found. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$33,333.33	\$33,333.33	33 %
Lawyer's Cost	\$476.51	\$476.51	1 %
LAC+USC Medical Center *	\$68,477	\$31,507.18	32 %
Other Lien Holders *	\$3,175.83	\$3,175.83	3 %
Patient	-	\$31,507.15	31 %
Total	-	\$100,000	100 %

* Lien holders are receiving 35% of the settlement (32% to LAC+USC Medical Center and 3% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 10
DATE: OCTOBER 12, 2010

Total Gross Charges	\$401,200	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$401,200	Date of Service	Various
Compromise Amount Offered	\$80,640.34	% Of Charges	20 %
Amount to be Written Off	\$320,559.66	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$401,200 for medical services rendered. The patient was denied Medi-Cal and did not qualify for ATP since he was an out-of-county patient. The patient's third party liability (TPL) claim settled for \$299,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$119,600	\$119,600	40 %
Lawyer's Cost	\$2,983.32	\$2,983.32	1 %
H/UCLA Medical Center *	\$401,200	\$80,640.34	27 %
Other Lien Holders *	\$7,568	\$7,568	3 %
Patient	-	\$88,208.34	29 %
Total	-	\$299,000	100 %

* Lien holders are receiving 30% of the settlement (27% to H/UCLA Medical Center and 3% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holder is receiving 30% of the settlement with the patient receiving the remaining 29% of the settlement.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 11
DATE: OCTOBER 12, 2010

Total Gross Charges	\$126,376	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$126,376	Date of Service	Various
Compromise Amount Offered	\$40,000	% Of Charges	32 %
Amount to be Written Off	\$86,376	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$126,376 for medical services rendered. The patient is an out-of-county resident and does not qualify for any of Los Angeles County's Low Cost/No Cost programs. No other coverage was found. The patient is borrowing money to pay for this settlement and considering filing for bankruptcy. Based on the DHS' outside collection agency's assessment and recommendation, it appears the patient does not have the financial means to pay the full cost of care and this is the highest amount he is able to contribute to settle the account.